

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1308

Introduced by Senator Nguyen

February 19, 2016

An act to amend Section ~~14087.8~~ of 14087.6 of, and to add Section 14087.65 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1308, as amended, Nguyen. Medi-Cal: county *organized* health systems.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law authorizes the department to negotiate exclusive contracts with any county ~~which~~ *that* seeks to provide, or arrange for the provision ~~of~~ *of*, the Medi-Cal services to Medi-Cal beneficiaries, as specified. Existing law ~~requires that when the department has entered into a contract with a county, that the department, at a minimum, monitor the level and quality of services provided in the county and the county's expenditures pursuant to the contract, as specified.~~ *authorizes a county that has contracted for the provision of services to arrange for any or all of the services to be provided by subcontracting with primary care providers, health maintenance organizations, insurance carriers, or other entities or individuals.*

~~This bill would require the department to additionally report to the Legislature annually on the level and quality of services provided in the county and the county's expenditures pursuant to the contract.~~

prohibit a county organized health system that has contracted with the department as described above from utilizing funds intended for administrative and operational expenses for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory modifications. The bill would prohibit a media campaign or paid advertising purchased by the county organized health system from featuring the image or voice of an elected public official or candidate for elected office, or directly represent the views of an official or candidate. The bill would permit the media campaign or paid advertising to reference an official or candidate if the name appears in a roster listing containing the names of all officers of the purchasing agency, as specified. The bill would make related legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
- 2 *following:*
- 3 *(a) County organized health systems together serve 2.2 million*
- 4 *enrollees in the Medi-Cal program.*
- 5 *(b) Recent increases in enrollment in the Medi-Cal program*
- 6 *have stretched available resources and have the potential to limit*
- 7 *access to vital medical care.*
- 8 *(c) County organized health system resources should be directed*
- 9 *to providing direct care to the maximum extent possible.*
- 10 *(d) The California Health Benefit Exchange has operated with*
- 11 *limitations on how taxpayer funding can be used in an effort to*
- 12 *direct more resources into direct patient services.*
- 13 *(e) All advertisement and promotional material produced by*
- 14 *county organized health systems should be used to promote access*
- 15 *to health care and not to promote board members.*
- 16 *(f) County organized health systems are responsible for*
- 17 *billion-dollar annual contracts, which potentially creates perceived*
- 18 *or real conflicts of interest.*
- 19 *SEC. 2. Section 14087.6 of the Welfare and Institutions Code*
- 20 *is amended to read:*
- 21 14087.6. *(a) A county that has contracted for the provision*
- 22 *of services pursuant to this article may provide the services directly*

1 to recipients, or arrange for any or all of the services to be provided
2 by subcontracting with primary care providers, health maintenance
3 organizations, insurance carriers, or other entities or individuals.
4 The subcontracts may utilize a prospectively negotiated
5 reimbursement rate, fee-for-service, retainer, capitation, or other
6 basis for payment. The rate of payment established under the
7 contract shall not exceed the total per capita amount that the
8 department estimates would be payable for all services and
9 requirements covered under the contract if all these services and
10 requirements were to be furnished to Medi-Cal beneficiaries under
11 the Medi-Cal fee-for-service program.

12 ~~Counties~~

13 (b) *Counties* that are responsible for providing health care under
14 this chapter shall make efforts to utilize existing health service
15 resources if these resources can be estimated by the county to result
16 in lower total long-term costs and accessible quality care to persons
17 served under this chapter. The granting of a certificate of need
18 pursuant to the criteria set forth in Section 127200 of the Health
19 and Safety Code or a certificate of exemption pursuant to the
20 criteria set forth in Section 127175 of the Health and Safety Code
21 shall satisfy the intent of this provision.

22 (c) *A county organized health system that has contracted for*
23 *the provision of services pursuant to this article shall not utilize*
24 *any funds intended for administrative and operational expenses*
25 *for staff retreats, promotional giveaways, excessive executive*
26 *compensation, or promotion of federal or state legislative or*
27 *regulatory modifications.*

28 SEC. 3. Section 14087.65 is added to the Welfare and
29 Institutions Code, to read:

30 14087.65. (a) *A media campaign or paid advertising purchased*
31 *by a county organized health system that contracts for the provision*
32 *of services pursuant to this article shall not feature in any manner*
33 *the image or voice of an elected public official or candidate for*
34 *elected office, or directly represent the views of an elected public*
35 *official or candidate for elected office.*

36 (b) *A media campaign or paid advertising purchased by a county*
37 *organized health system that contracts for the provision of services*
38 *pursuant to this article may include a reference to an elected public*
39 *official or candidate for elected office if the name appears in a*
40 *roster listing containing the names of all officers of the purchasing*

1 *agency and all names in the roster appear in the same type size,*
2 *typeface, type color, and location.*

3 ~~SECTION 1. Section 14087.8 of the Welfare and Institutions~~
4 ~~Code is amended to read:~~

5 ~~14087.8. When the department has entered into a contract with~~
6 ~~a county pursuant to this article, the department shall, at a~~
7 ~~minimum, through a method independent of any agency of the~~
8 ~~county, monitor and report to the Legislature annually on the level~~
9 ~~and quality of services provided in a county, as well as a county's~~
10 ~~expenditures pursuant to the contract, and shall ensure conformity~~
11 ~~with federal law.~~